

Quality Project HIV Best Practices Briefer #4

Improving Procurement and Supply Management of HIV-Related Commodities

Background

While all HIV responses in Central Asia have been funded primarily by the Global Fund To Fight AIDS, Tuberculosis and Malaria (“the Global Fund”) over the last decade, funding landscapes are evolving and Global Fund resources are becoming more limited. Kazakhstan has already graduated from eligibility for Global Fund funding, and Kyrgyzstan and Tajikistan are entering into the realm of Global Fund’s New Funding Model, which will look for increased efficiencies and accountability of grant funds.

Since a significant portion of Kazakhstan, Kyrgyzstan and Tajikistan’s HIV response budgets go to procurement of antiretrovirals (ARVs) and laboratory supplies for testing and clinical monitoring, assuring that these systems are streamlined and well-functioning is essential to using funds wisely. In particular, two areas of management were noted by the Quality Project as being particularly weak: supply management of reagents and medications, particularly those that involved the cold chain; and the forecasting of appropriate types and amounts of ARVs. The former led to waste through products that expired or, worse, were used after inappropriate storage and resulted in invalid results, while the latter led to waste of some medications that were over-stocked, while introducing dangerous treatment interruptions for other medications that were under-stocked. In either situation, funds were wasted and patients suffered. A critical look at the systems in place was warranted in order to assure that limited HIV response funds are used in a way to most effectively benefit patients.

Implementation Details

In response to the two scenarios above, the Quality Project provided two tracks of technical assistance:

1. **Assessment of warehousing and supply chain management in Kyrgyzstan and Tajikistan, focusing heavily, but not exclusively, on appropriate cold chain management in transport and warehouse settings.** This assistance involved technical assistance visits (three to Kyrgyzstan, one to Tajikistan) from an international procurement and supply management (PSM) expert, who conducted a thorough assessment of the situation in each country in partnership with the United Nations Development Programme Global Fund Grant Implementation Units. Follow-up recommendations were provided to UNDP units, along with tools and draft documentation such as Terms of Reference for local experts and tenders for third-party management companies to improve supply management. This track of assistance was ended in Autumn 2012 when PEPFAR ROP priorities shifted and no longer included PSM.
2. **Introduction of a specialized ARV forecasting software to allow for appropriate management of individual patient records as well as facility-based and centralized stocks of medications.** Initially introduced only in Republican AIDS Centers, the software was expanded to the southern region of Kyrgyzstan (which has the second-highest number of people on treatment) in 2012, and a fully networked version was introduced throughout Tajikistan in 2014. Technical assistance was provided for installation of software and training of AIDS Center staff, and remote assistance was provided on an ongoing basis.

Outcomes

- Introduction of third-party management of cold chain in Kyrgyzstan, with Terms of Reference and tender details drafted with Quality Project technical assistance, to assure appropriate

management of costly medication and reagents while a centralized warehousing solution is developed.

- Detailed analysis of Tajikistan PSM system presented to UNDP partners, providing outlines for Standard Operating Procedures that were later adapted and submitted for official approval by the Ministry of Health.
- The first systematic program for tracking antiretroviral stocks introduced in Kazakhstan, Kyrgyzstan and Tajikistan, leading to over 95% enrollment of all patients on ARVs at sites where software was installed, within 6 months.
- Improved forecasts for ARVs provided by AIDS Centers to UNDP partners procuring medications, lowering the likelihood of stock-outs or treatment gaps, particularly for pediatric formulas, which has previously been particularly vulnerable to unstable stock levels.

Suggested Next Steps

Significant challenges remain in the field of procurement and supply management in both Kyrgyzstan and Tajikistan, and partners at UNDP would benefit from ongoing support in this area of implementing effective Global Fund grants. In particular, assistance is needed at the central level to bolster the capacity of local UNDP staff and system, but also at the oblast and implementation level, where the capacity of individuals who oversee storage and management of stocks may be lacking, or staff turnover may be dangerous frequent. Therefore, support for improve national systems through mechanisms like the World Bank Sector-Wide Approach (SWAp) or other mechanism will be needed in the long-term. The establishment and enforcement of regular standards for PSM, in line with international standards, should be a first priority, while ongoing capacity-building should also be considered.

While these may appear to be less-visible areas of intervention, it has the potential to have high impact on the efficiency of use of Global Funds funds. As USAID and PEPFAR consider partnership with Global Fund to be a priority, assistance to both UNDP implementing units and to host country governments – who should be establishing transition plans to resume management of grants in coming years – should be considered.

While the ARV forecasting system in place in Tajikistan is considered to be fairly self-sustaining in terms of trained staff and stability of the software, continued remote support would be beneficial throughout Year 5 of Quality Project implementation. Additionally, now that a fully networked version is available, it is recommended that installation and training be considered throughout Kyrgyzstan as well, as part of Year 5 implementation.

Further Reading

De Vasson, Pierre and Burrows, Dave. June 2011. *Streamlining to Meet the Standards: An Evaluation of Warehousing in Kyrgyzstan*. Bethesda, MD. Quality Health Care Project in the Central Asian Republics, Abt Associates Inc.

Manukyan, Aram, July 2011. *ARV Forecast Methodologies and Software for Republican AIDS Centers in Kyrgyzstan, Tajikistan and Kazakhstan*. Bethesda, MD. Quality Health Care Project in the Central Asian Republics, Abt Associates Inc.